

Contract Pharmacy Prevention of Duplicate Discounts

Use with Contract Rx Carve Out Excel Audit Template

340B Audit Template | Quantum 5D Consulting | 2026

This template is designed to support covered entities in conducting a structured contract pharmacy audit for 340B program compliance. The audit evaluates whether the covered entity has implemented adequate controls to satisfy HRSA requirements related to eligibility, prevention of diversion, and prevention of duplicate discounts at contract pharmacy locations.

Compliance Elements

The following three compliance elements are assessed as part of a comprehensive contract pharmacy audit. This template addresses the highlighted element:

Eligibility

Prevention of Diversion

Prevention of Duplicate Discounts

Instructions for Completing the Audit

1. Gather all relevant contract pharmacy agreements, 340B database records, and Medicaid billing documentation before beginning this audit.
2. Complete the Covered Entity and Contract Pharmacy Information section to document the scope of this audit.
3. Review the compliance element explanation to understand the regulatory basis for each assessment question.
4. For each assessment question, select the appropriate response (Yes, No, N/A, or Unsure) and provide an explanation in the space provided.
5. Complete Table 1 and Table 2 using prescription-level data from your contract pharmacy dispensing records and Medicaid claims.
6. Summarize findings and document recommended corrective actions in the Summary and Actions fields of the entity information section.

Covered Entity & Contract Pharmacy Information

COVERED ENTITY NAME

.....

340B ID NUMBER

.....

**CONTRACT PHARMACY
ORGANIZATION**

.....

**CONTRACT PHARMACY STORE
NUMBER(S)**

.....

AUDIT PERIOD START DATE

.....

AUDIT PERIOD END DATE

.....

AUDITOR / COMPLETED BY

.....

SUMMARY OF FINDINGS

RECOMMENDED CORRECTIVE ACTIONS

Compliance Element: Prevention of Duplicate Discounts

Section 340B(a)(5)(A) of the Public Health Service Act (PHSA) prohibits duplicate discounts. A drug purchased at the 340B price may not also generate a Medicaid drug rebate. Covered entities must ensure that 340B-purchased drugs dispensed through contract pharmacies are not also claimed for Medicaid rebates. To prevent duplicate discounts, covered entities must either carve out 340B utilization from Medicaid (ensuring Medicaid is never billed as the payer for 340B dispensations) or carve in by establishing documented arrangements with state Medicaid agencies and reporting utilization through the HRSA 340B Office of Pharmacy Affairs Information System (OPAIS). The following assessment evaluates whether the covered entity has implemented adequate carve-out or carve-in procedures at its contract pharmacy locations.

Contract Pharmacy Carve-Out Medicaid Billing Assessment

Instructions: Identify billing codes associated with contract pharmacy dispensations during the audit period. Select a representative sample of prescriptions billed through the contract pharmacy and verify whether Medicaid was the payer for any 340B dispensation. If the covered entity uses a carve-out model, Medicaid should never appear as the payer for a 340B-purchased drug.

Assessment Question 1: For contract pharmacies that carve out, is Medicaid never the payer for 340B dispensations?

☐ Yes ☐ No ☐ N/A ☐ Unsure

Explain:

Contract Pharmacy Carve-In Verification — Table 1

Complete the table below for each contract pharmacy location that uses a carve-in model. Verify that each pharmacy has a documented arrangement with the applicable state Medicaid agency and is listed with a carve-in effective date in HRSA 340B OPAIS.

Contract Pharmacy Name and Store #	State Medicaid Billing Policy Available? (Y/N)	Documented Arrangement with All Applicable State Medicaid Agencies? (Y/N)	Listed with "Carve-In Effective Date" in HRSA 340B OPAIS? (Y/N)
------------------------------------	--	---	---

Assessment Question 2: Does each contract pharmacy that carves in have a state Medicaid billing policy available and on file?

☐ Yes ☐ No ☐ N/A ☐ Unsure

Explain:

Assessment Question 3: Does each contract pharmacy that carves in have a documented arrangement with all applicable state Medicaid agencies?

☐ Yes ☐ No ☐ N/A ☐ Unsure

Explain:

Assessment Question 4: Is each contract pharmacy that carves in listed with a "Carve-In Effective Date" in HRSA 340B OPAIS?

☐ Yes ☐ No ☐ N/A ☐ Unsure

Explain:

Contract Pharmacy Carve-In Medicaid Billing Assessment — Table 2

For contract pharmacies that use a carve-in model, select a representative sample of 340B prescriptions and verify that the covered entity's Medicaid billing practice matches the documented arrangement on file with HRSA. Complete one row per prescription reviewed.

[illegible]

Assessment Question 5: For each prescription reviewed, does the covered entity's state Medicaid carve-in billing practice match the documented arrangement on file with HRSA?

☐ Yes ☐ No ☐ N/A ☐ Unsure

Explain:

Proprietary and Confidential — Quantum 5D Consulting

quantum5dconsulting.com

info@quantum5dconsulting.com | (410) 921-3989

© 2026 Quantum 5D Consulting. All rights reserved.